

REPORT OF THE EXECUTIVE OFFICER  
State Allocation Board Meeting, March 24, 1999

DISABLED VETERANS BUSINESS ENTERPRISE

PURPOSE OF REPORT

To present legal counsel's opinion regarding the utilization of Disabled Veteran Business Enterprises (DVBE) under construction contracts that are applicable to the School Facilities Program (SFP).

DESCRIPTION

At the February 24, 1999, SAB meeting, individuals addressed the SAB and expressed concerns that the DVBE requirement was not included in the SFP regulations. As a result of these concerns, the SAB requested legal counsel to provide an opinion regarding the applicable laws that may be related to DVBE for SFP projects. The legal comment relative to this issue is included on the attached opinion.

The SAB also requested that staff provide alternatives with respect to application of DVBE contract participation goals to the newly enacted SFP. The alternatives are provided under staff comments.

BACKGROUND

Under the Lease Purchase Program (LPP) and State Relocatable Classroom Program (SRCP), all contracts exceeding \$10,000 must meet a 3 percent contract participation goal for certified DVBE or demonstrate that a good faith effort was made to meet that goal.

The DVBE contract participation for the LPP was 1.2 percent. On September 25, 1996, the SAB streamlined administrative procedures which included district self-certification of DVBE compliance. [Please refer to this policy in the "policy" section of this agenda.] After this policy change, the SAB discontinued collecting data for DVBE contract participation.

STAFF COMMENTS

Some of the alternatives to achieve greater DVBE participation in the newly enacted SFP could include the following:

- Post to the OPSC web site all projects that received a grant under the SFP to allow DVBE contractors information for potential contracting opportunities.
- Provide additional priority points to districts that obtain DVBE contract participation.
- The SAB could require DVBE contract participation goals if future legislative changes authorize that action.
- The OPSC could develop a DVBE outreach package for the SFP that could be used at the local level if districts choose to include the DVBE goals in their contract.

BOARD ACTION

In considering this Item, the Board strongly urged districts to continued to pursue DVBE participation. The Board also stated it would be more appropriate to seek a legislative remedy on this issue.